

Message Text

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ACTION OES-06

INFO OCT-01 EUR-12 ISO-00 L-03 NSF-01 NAS-01 CIAE-00

INR-07 NSAE-00 ERDA-05 SSO-00 INRE-00 EB-08 SS-15

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FM AMEMBASSY MADRID

TO SECSTATE WASHDC IMMEDIATE 8722

LIMITED OFFICIAL USE SECTION 1 OF 2 MADRID 0598

E.O. 11652: N/A

TAGS: PFOR, TGEN, SP

SUBJECT: TREATY OF FRIENDSHIP AND COOPERATION: SCIENTIFIC AND TECHNO-
LOGICAL COOPERATION

REF: (A) STATE 3708; (B) MADRID 9529; (C) STATE 294918

SUMMARY: AFTER 3 MONTHS OF DISCUSSIONS FOLLOWING THE INITIAL MEETING OF THE JOINT SCIENTIFIC AND TECHNOLOGICAL AFFAIRS COMMITTEE, A CONSIDERABLE GAP REMAINS BETWEEN WASHINGTON'S PREFERRED APPROACH TO ORGANIZING THE COOPERATIVE S AND T EFFORT UNDER THE TREATY AND THE SPANISH GOVT'S APPROACH, WHICH IS MOTIVATED PRINCIPALLY BY THE STRONG DESIRE TO GIVE THIS COOPERATION A DISTINCTLY MORE SPANISH FLAVOR THAN WAS THE CASE UNDER THE 1970 AGREEMENT. WE ARE NOW AT THE POINT WHERE THIS GAP CAN PREJUDICE IMPLEMENTATION OF SUPPLEMENTARY AGREEMENT 3 OF THE TREATY. TO AVOID THIS, WE WILL NEED TO SET ASIDE DISCUSSION OF PRINCIPLES AND TO SEEK TO MOVE FORWARD WITH PRACTICAL MEASURES ON WHICH BOTH SIDES CAN AGREE.

IN OUR VIEW, THE FIRST SUCH STEP SHOULD BE TO INFORM THE SPANISH SIDE OF THE JOINT COMMITTEE, PRIOR TO THE FEB 9 MEETING OF THE US-SPANISH COUNCIL, THAT THE US SIDE IS WILLING TO ACCEPT WITH SPECIFIC CONDITIONS THE SPANISH PROPOSAL OF OCT 22 FOR
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AGREEMENT ON 3 BROAD CATEGORIES OF S AND T ACTIVITIES. BARRING OBJECTIONS FROM THE DEPT, WE INTEND TO DO THIS ON FRIDAY, JAN. 28. OTHER S AND T ISSUES PENDING WILL BE TREATED BY SEPTELS.
END SUMMARY.

1. AT THE FIRST MEETING OF THE JOINT SCIENTIFIC AND TECHNOLOGICAL AFFAIRS COMMITTEE ON OCT 22, THE SPANISH SIDE PROPOSED THAT

WITHIN EACH BROAD PROGRAM AREA OF S AND T COOPERATION UNDER THE TREATY, US FINANCIAL SUPPORT WOULD BE MADE AVAILABLE FOR 3 KINDS OF ACTIVITIES:

(A) "INSTITUTIONAL GRANTS" FOR PURCHASE OF US-MADE EQUIPMENT FOR SPANISH CENTERS;

(B) "COOPERATIVE RESEARCH GRANTS" IN SUPPORT OF COOPERATION BETWEEN US AND SPANISH SCIENTISTS AND INSTITUTIONS, INCLUDING THE COST OF US PARTICIPATION;

(C) "DIRECT RESEARCH GRANTS" TO PUBLIC AND PRIVATE CENTERS IN SPAIN TO SUPPORT SPANISH PROJECTS.

THE US SIDE RESERVED ON ITEM C.

2. ON DEC 3, THE DEPT SUGGESTED CONDITIONS UNDER WHICH ITEM C MIGHT BE ACCEPTED AND AUTHORIZED THE USE OF THIS GUIDANCE (REF C). SUBSEQUENT DISCUSSIONS WITH THE SPANISH HERE PRODUCED A SPANISH REQUEST THAT THE US CONCUR IN THE ISSUANCE OF PUBLIC INVITATIONS IN SPAIN TO SUBMIT PROJECT PROPOSALS IN ALL 3 AREAS LISTED ABOVE (REF B). THIS PROPOSAL REFLECTED A DIFFERENCE OF VIEW AS TO HOW TO APPROACH THE PROBLEM OF DEVELOPING S AND T ACTIVITIES FOR FY 1977. THE SPANISH SIDE HAS MADE CLEAR ITS STRONG PREFERENCE TO BEGIN BY INVITING SPECIFIC PROJECT PROPOSALS AND USING THESE AS THE BASIS FOR DEFINING THE BROAD PROGRAM AREAS OF COOPERATION (THE REVERSE OF THE WASHINGTON-PREFERRED SCENARIO).

3. THE DEPT'S RESPONSE TO THIS (REF A) SEEMED TO BACK AWAY FROM THE GUIDANCE PROVIDED EARLIER AND INDICATED NO DEPT DECISION ON THE SPANISH PROPOSAL FOR DIRECT RESEARCH GRANTS WAS TO BE MADE UNTIL THE SPANISH SIDE HAD PACKAGED A COMPLETE LIMITED OFFICIAL USE

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PROPOSAL AND TABLED IT FORMALLY IN THE JOINT COMMITTEE. THIS POSITION, IF IMPLEMENTED, COULD HAVE THE EFFECT OF ABANDONING ANY US COOPERATION IN THE DEVELOPING BY THE SPANISH OF FY77 PROPOSALS. THE RESULT COULD GO BEYOND MISUNDERSTANDING TO CONFRONTATION.

4. IN AN EFFORT TO FIND A WAY OUT OF THIS SITUATION, FURTHER DISCUSSIONS WERE HELD LAST WEEK WITH THE FOREIGN MINISTRY'S DEPUTY DIRECTOR GENERAL FOR INTERNATIONAL TECHNICAL COOPERATION (PASTOR). HE NOTED THAT THE FOREIGN MINISTRY HAD ACCEPTED THE CONCEPT OF DIRECT RESEARCH GRANTS UNDER VERY INTENSE PRESSURE FROM THE TECHNICAL MINISTRIES, WHICH ARE CLEARLY FINDING IT DIFFICULT IN THE PRESENT INFLATIONARY SITUATION EVEN TO MAINTAIN IMPORTANT EXISTING PROGRAMS. HE SAID THE SPANISH SIDE OF THE JOINT COMMITTEE IS WILLING TO ACCEPT A LIMITATION ON THE PERCENTAGE OF FUNDS ALLOCATED EACH YEAR FOR SUCH GRANTS AND WOULD WELCOME US EVALUATION OF PROPOSALS BEFORE THEY REACH THE LEVEL OF THE JOINT COMMITTEE FOR FINAL DECISION. HE STRESSED AGAIN THAT THE SPANISH GOVT IS ANXIOUS

TO PUBLISH PUBLIC INVITATIONS FOR PROJECT PROPOSALS IN ORDER
TO MOVE FORWARD TOWARD A JOINT COMMITTEE DECISION ON ALLOCATION
OF FY 77 FUNDS.

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5. IT MAY HELP TO UNDERSTAND HOW THIS PROBLEM DEVELOPED TO
POINT OUT THAT THE SPANISH GOVT NEGOTIATORS OF SUPPLEMENTARY
AGREEMENT 3 ARE IN THE MAIN NOT THE PEOPLE WE ARE DEALING WITH
TODAY ON THESE MATTERS. THE PRESENT TEAM IS LESS WEDDED TO
THE SPECIFIC AREAS OF COOPERATION OUTLINED IN THAT AGREEMENT
AND PLACES SIGNIFICANTLY MORE STRESS ON DEVELOPING S AND T
COOPERATION THROUGH SPANISH VICE US INITIATIVES. TO DO THIS,
THEY CONSIDER IT ESSENTIAL TO EMPLOY SPANISH BUREAUCRATIC
PRACTICE. THIS WAS ESSENTIALLY THE SAME PROBLEM, IT WILL BE
RECALLED, WHICH WAS FACED AT THE FIRST SESSION OF THE JOINT
COMMITTEE ON EDUCATIONAL AND CULTURAL AFFAIRS IN NOVEMBER
(WHICH IS NOT SURPRISING SINCE A NUMBER OF SAME PEOPLE ARE
INVOLVED ON THE SPANISH SIDE). IN THAT CASE, THE U.S. SIDE
FOUND IT DESIRABLE TO ACCEPT ESSENTIALLY THE SPANISH APPROACH
TO INVITING PROJECT/SCHOLARSHIP PROPOSALS WHILE ARRANGING FOR
SUFFICIENT U.S. INVOLVEMENT IN THE PROCESS TO ASSURE THAT THE
END RESULTS WOULD IN FACT INVOLVE COOPERATION OF MUTUAL
BENEFIT. NO INHERENT PROBLEM WAS SEEN IN THE GREATER DEGREE OF
SPANISH INITIATIVE IN THE PROCESS.

6. AGAINST THIS BACKGROUND, IT SEEMS TO US THAT TO INSIST THAT
NOTHING CAN GO FORWARD WITH OUR COOPERATION ON THE S AND T SIDE
UNLESS U.S. ADMINISTRATIVE PREFERENCES ARE ADHERED TO (I.E.,
THAT PLANNING AND ALLOCATION AT THE BROAD PROGRAM LEVEL AND A
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PAIRED LEAD AGENCY APPROACH MUST BE ACCEPTED AS A FIRST STEP) IS DIFFICULT TO DEFEND AND CAN ONLY HAVE THE EFFECT OF PREVENTING COOPERATION WITH RESPECT TO THE PREPARATION OF PROPOSALS ON THE SPANISH SIDE AND OF SOURING THE VERY RELATIONSHIP WE ARE TRYING TO BUILD IN THIS FIELD.

7. THUS, BARRING OBJECTION FROM THE DEPT, WE PROPOSE TO MOVE FORWARD IN THE JOINT S AND T COMMITTEE ALONG LINES PARALLEL TO THOSE IN ITS SISTER COMMITTEE ON EDUCATIONAL AND CULTURAL COOPERATION. SPECIFICALLY, WE PROPOSE TO INFORM THE SPANISH CO-CHAIRMAN ON FRI, JAN 28, THAT ALL 3 CATEGORIES OF ACTIVITIES PROPOSED BY THE SPANISH AT THE OCT 22 MEETING (AS ABOVE) ARE ACCEPTABLE TO THE US SIDE ON THE SPECIFIC UNDERSTANDING THAT:

(A) THE SUMS TO BE ALLOCATED FOR DIRECT RESEARCH GRANTS WILL BE HELD TO A SMALL PERCENTAGE OF THE TOTAL;

(B) NO SUCH FUNDS SHALL BE USED TO FINANCE THE SALARIES OF SPANISH GOVT EMPLOYEES;

(C) FUNDING WILL BE TO APPROPRIATE MINISTRIES EN BLOC FOR THEIR INDIVIDUAL PACKAGES OF PROPOSALS. (PROCEDURES FOR PROVIDING S AND T FUNDS AND FOR ACCOUNTING FOR THEIR USE WILL BE TREATED SEPARATELY.)

(D) MADRID REPRESENTATIVES OF THE US SIDE OF THE JOINT COMMITTEE WILL PARTICIPATE INFORMALLY IN THE EVALUATION BY THE ADVISORY COMMITTEE OF SPANISH PROPOSALS, AFTER THESE HAVE FIRST BEEN SCREENED BY SPANISH AUTHORITIES FOR ELIGIBILITY AND PRIORITY RATING. THIS SHOULD MINIMIZE THE POSSIBILITY OF DISAGREEMENT IN THE JOINT COMMITTEE OVER WHETHER THE PROPOSALS MEET THE TREATY-IMPOSED TEST OF MUTUAL BENEFIT.

(E) US AGENCIES WILL HAVE ACCESS TO THE RESULTS OF SUCH DIRECT SPANISH RESEARCH AND WILL SHARE PATENT RIGHTS. (THIS LIST OF CONDITIONS ENCOMPASSES ALL OF THOSE RAISED BY THE DEPT AT ONE TIME OR ANOTHER.)

STABLER

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